

United States Department of Justice
Office of the United States Trustee
110 N. College Avenue, Suite 300
Tyler, Texas 75702
(903) 590-1450

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

IN RE	§	
	§	
Trophy Hospitality, LLC	§	Case No. 21-40512
3351 Waverly Drive	§	
Celina, TX 75009	§	
DENTON-TX	§	
Tax ID / EIN: 81-4075814	§	
dba Trophy Park	§	Chapter 11
	§	
Debtor	§	
	§	

**UNITED STATES TRUSTEE'S MOTION TO CONVERT OR DISMISS WITH
PREJUDICE PURSUANT TO 11 U.S.C. § 1112(b),
OR IN THE ALTERNATIVE, FOR OTHER RELIEF;
WITH WAIVER OF 30-DAY HEARING REQUIREMENT**

14-DAY NEGATIVE NOTICE – LBR 1017(b):

Your rights may be affected by the relief sought in this pleading. You should read this pleading carefully and discuss it with your attorney, if you have one in this bankruptcy case. If you oppose the relief sought by this pleading, you must file a written objection, explaining the factual and/or legal basis for opposing the relief.

No hearing will be conducted on this Motion unless a written objection is filed with the Clerk of the United States Bankruptcy Court and served upon the party filing this pleading **WITHIN FOURTEEN (14) DAYS FROM THE DATE OF SERVICE** shown in the certificate of service unless the Court shortens or extends the time for filing such objection. If no objection is timely served and filed, this pleading shall be deemed to be unopposed, and the Court may enter an order granting the relief sought. If an objection is filed and served in a timely manner, the Court will thereafter set a hearing with appropriate notice. If you fail to appear at the hearing, your objection may be stricken. The Court reserves the right to set a hearing on any matter.

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE PRESIDING:

William T. Neary, the United States Trustee for Region 6 (“U.S. Trustee”) hereby files in the above-numbered and captioned bankruptcy case (“Case”) his Motion to Convert or Dismiss with Prejudice Pursuant to 11 U.S.C. § 1112(b), or in the Alternative, for Other Relief (“Motion”) and respectfully states in support thereof:

Jurisdiction and Timeliness

1. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1334, 157(a), and the standing order of reference. This is a core proceeding pursuant to 28 U.S.C. § 157. The predicate for the relief requested herein is Bankruptcy Code section 1112(b).

Background and Requested Relief

2. The Debtor filed the Case on April 8, 2021 (“Petition Date”), and operates its restaurant and bar business as a debtor-in-possession.

3. The Debtor has not filed an operating report during the Case, and is currently delinquent on reports for April, May, and June.

4. The Debtor does not appear to be using a debtor-in-possession account. The most recent statement from Plains Capital Bank, dated June 30, 2021, did not indicate a debtor-in-possession account designation and reflected a balance of \$102,329.

5. Due to the lack of operating reports in the Case, the U.S. Trustee and other parties cannot effectively monitor the Debtor’s use of cash or accurately calculate U.S. Trustee fees in the Case.

6. The Debtor has also not provided the U.S. Trustee’s office with proof of insurance on its business contents.

7. The Debtor's failure to comply with U.S. Trustee Guidelines to use a debtor-in-possession account, administrative reporting and fee requirements, and failure to provide proof of insurance of estate property constitutes cause under 11 U.S.C. § 1112(b) for conversion, dismissal with prejudice to re-filing, or, in the alternative, imposition of a case resolution deadline.

WHEREFORE, the U.S. Trustee respectfully requests that the Court issue an order (a) converting the Case to chapter 7; (b) dismissing the Case with prejudice, or (c) subjecting the Debtor to confirmation deadlines; and granting such other further appropriate relief.

Dated: August 16, 2021

Respectfully submitted,

William T. Neary
United States Trustee

/s/ Marcus F. Salitore
Trial Attorney
Texas Bar 24029822
300 Plaza Tower
110 N. College
Tyler, Texas 75702
(903) 590-1450 Ext. 216

Certificate of Service

The undersigned hereby certifies that a copy of the foregoing document was served on the following listed persons through the court's electronic notification system as permitted by Appendix 5005 to the Local Rules of the U.S. Bankruptcy Court for the Eastern District of Texas, or by first class United States Mail, postage prepaid, no later than August 17, 2021.

/s/ Marcus F. Salitore

DEBTOR:

Trophy Hospitality, LLC
3351 Waverly Drive
Celina, TX 75009

DEBTOR'S COUNSEL:

Eric A. Liepins
Eric A. Liepins, P.C.
12770 Coit Road
Suite 850
Dallas, TX 75251

SUBCHAPTER V TRUSTEE:

Scott SEIDEL
Sub V Chapter Trustee
6505 West Park Boulevard
Ste. 306
Plano, TX 75093

NOTICES OF APPEARANCE:

Michael D. Warner, Esq.
Benjamin L. Wallen, Esq.
PACHULSKI STANG ZIEHL & JONES, LLP
440 Louisiana Street, Suite 900
Houston, TX 77002

Laurie Spindler
LINEBARGER GOGGAN BLAIR & SAMPSON, LLP
2777 N. Stemmons Freeway
Suite 1000
DALLAS, TX 75207

Frisco ISD
c/o Linda D. Reece
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.
1919 S. Shiloh Rd., Suite 310
Garland, TX 75042

MATRIX FOLLOWS:

Bigs Investment Holdings, LLC

c/o Travis Richard

5335 Spring Valley

Dallas, TX 75254-3009

Bigs Investments Holdings, LLC

c/o Travis Richard

5335 Spring Valley

Dallas, TX 75254-3009

Blue Star Frisco Retail, LLC

1 Cowboys Way, Ste. 100

Frisco, TX 75034-1977

Blue Star Frisco Retail, LLC

c/o Michael D. Warner, Esq.

440 Louisiana St., Ste. 900

Houston, TX 77002-1062

Blue Star Frisco, LP

8000 Warren Parkway

Building 1, Suite 100

Frisco, TX 75034-2231

Blue Star Frisco, LP

1 Cowboys Way, Suite 100

Frisco, TX 75034-1977

Celtic Bank

268 S. State St., Ste. 300

Salt Lake City, UT 84111-5314

City of Frisco

Linebarger Goggan Blair & Sampson, LLP

City of Frisco

Linebarger Goggan Blair & Sampson, LLP

c/o Laurie A. Spindler

2777 N. Stemmons Freway

Suite 1000

Dallas, TX 75207-2328

2777 N. Stemmons Frewy

Suite 1000

Dallas, TX 75207-2328

Fix A Drip

8732 Ukiah

Dallas, TX 75227-8224

Freshpoint

4721 Simonton

Dallas, TX 75244-5316

Comptroller of Public Accounts

C/O Office of the Attorney General

Bankruptcy - Collections Division MC-008

PO Box 12548

Austin TX 78711-2548

Eric A. Liepins

Eric A. Liepins, P.C.

12770 Coit Road

Suite 850

Dallas, TX 75251-1364

(p)PURELY MEAT COMPANY

4345 W DIVISION STREET

CHICAGO IL 60651-1714

Linda Reece

1919 S. Shiloh Road, Suite 310, LB 40

Garland, TX 75042-8234

Scott SEIDEL (SBRA V)

Sub V Chapter Trustee

6505 West Park Boulevard

Ste. 306

Plano, TX 75093-6212

Marcus Salitore

US Trustee Office

110 N. College Ave., Room 300

Tyler, TX 75702-7231

Sani Servant

3100 E Meadows

Mesquite, TX 75150

Seidel Scott

Chapter 7 Trustee

6505 W. Park Blvd.

Plano, TX 75093-6208

Callan Clark Searcy

Texas Attorney General

300 W. 15th Street, Mail MC-008

78701

Austin, TX 78701-1649

Shiloh Oak Investment, LLC

c/o Travis Richard

5335 Spring Valley

Dallas, TX 75254-3009

Shiloh Oak Investment, LLC

c/o Travis Richard

5335 Spring V alley

Dallas, TX 75254-3009

Small Business Admin

P.O. Box 3918

Portland, OR 97208-3918

Laurie A. Spindler

Linebarger, Goggan, Blair & Sampson

2777 N. Stemmons Frwy Ste 1000

Dallas, TX 75207-2328

Texas Comptroller of Public Accounts, Revenue

Trophy Hospitality, LLC

Callan Searcy

3351 Waverly Drive

c/o Sherri K. Simpson, Paralegal

Celina, TX 75009-1501

PO Box 12548

Austin, TX 78711-2548

U.S. Attorney General

Department of Justice

Main Justice Building

10th & Constitution Ave., NW

Washington, DC 20530-0001

Office of the U.S. Trustee

110 N. College Ave.

Suite 300

Tyler, TX 75702-7231

UST Office

110 N. College St., Suite 300

Tyler, TX 75702-7231

Wade Electric

7217 Parwelk

Dallas, TX 75235

Michael D. Warner

Pachulski Stang Ziehl & Jones LLP

440 Louisiana Street

Suite 900

Houston, TX 77002-1062

Waste Management

1001 Fannin

Houston, TX 77002-6717

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g) (4).

Purely Meat Company

4345 W Division

Chicago, IL 60651

(d) Purely Meat Company

4345 W Division

Chicago, IL 60651

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(d) Aramak Uniform Services

P.O. Box 731676

Dallas, TX 75373-1676

(d) Celtic Bank

268 S State Street

Suite 300

Salt Lake City, UT 84111-5314

(d) Fix A Drip

8732 Ukiah

Dallas, TX 75227-8224

(d) Frisco ISD

c/o Perdue Brandon Fielder et al

1919 S. Shiloh Road, Suite 310, LB 40

Garland, TX 75042-8234

(d) Small Business Admin

PO Box 3918

Portland, OR 97208-3918

(d) Wade Electric

7217 Parwelk

Dallas, TX 75235

End of Label Matrix

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Total 41